US$62.78/bbl on 1-9-2005. Against the average Indian Crude Basket price of US$27.96/bbl during 2003-04 and US$39.21 during 2004-05, the aveage for November 2005 was US$53.14/bbl.

With a view to containing the burden of the increase in international prices on consumers of sensitive petroleum products, since June, 2004 Government elucidated the principles of containing the burden of increase in international prices on consumer of sensitive petroleum products. It was decided that the burden should be equitably shared by consumers, the Government and Oil Companies. Government for its part, reduced the excise duty on petrol and diesel by 4% and 3% respectively effective 16.6.2004 and, effective 19.8.2004, the excise duty on petrol and diesel was further reduced by 3%. Government also reduced customs duty by 5% each on petrol and diesel with effect from 19.8.2004. In the Budget 2005-06, customs duty on crude was reduced from 10% to 5%, on kerosene and LPG from 5% to nil and on other petroleum products from 15-20% to 10%.

(d) and (e) OMCs already have long-term contracts with suppliers. The question of longer-term supply contracts was raised by India at the first Round Table of Asian Oil Ministers on regional cooperation in the oil & gas economy held in New Delhi on 6th January, 2005 which was attended by Ministers/representatives from Iran, Japan, Malaysia, Oman, Qatar, Saudi Arabia, UAE, Kuwait, China, Korea besides host India. Public sector oil companies factor in long-term contracts in their purchase arrangements, as appropriate, but it may be noted that long-term contracts only provide for assurance of supplies; prices and linked to periodic variations in international markets.

Agreement with Myanmar on Gas Pipeline Project

2223. SHRI MOOLCHAND MEENA:
DR. T. SUBBARAMI REDDY:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether over $2.5 billion Myanmar-India gas pipeline project *via* Bangladesh is back on track with Bangladesh Government open to

holding fresh negotiations on three conditions set by it for signing tri-nation agreement for implementing projects;

(b) if so, what are the main points of agreement reached between three countries;

(c) whether gas pipeline from Myanmar *via* Bangladesh to India is viable as far as cost-effective option of bringing gas from off-shore gas fields in Myanmar is concerned;

(d) whether all conditions put by three countries have been finally settled; and

(e) if so, by when final decision in this regard is likely to be taken?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (e) In January 2005, Minister (P&NG) participated in a meeting in Yangon between the Oil Ministers of Bangladesh, Myanmar and India to discuss various aspects of the Myanmar-Bangladesh-India gas pipeline project. In pursuance of the trilateral Joint Press Statement released after that meeting, a Techno-Commercial Working Committee (TCWC) of the representatives of the three countries was constituted to take further steps in respect of the project. The first meeting of the TCWC was held in Yangon on 24th-25th February, 2005. The TCWC prepared a draft MoU to be signed by the three Oil Ministers after the approval of their respective Governments. However, the signing of the MoU has been delayed on account of differences between India and Bangladesh over one preambular paragraph in the draft MoU in which Bangladesh has made references to certain specific issues of trilateral concern. Minister (P&NG) visited Dhaka on 5th September, 2005 and had meetings with the Prime Minister of Bangladesh and other senior Minister when further steps to pursue the gas pipeline project was discussed.

These issues are at present being examined by the Governments of Bangladesh and India, even as India is exploring with Myanmar other options of importing natural gas into India from Myanmar, including alternative land routes and possible transportation of gas by sea as LNG or CNG.